

Appraisal and Pay Progression Policy and Procedure

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CONTENTS

Section		Page
1	Introduction and Overview	3
2	Policy Scope	3
3	Definitions and Abbreviations	3
4	Roles	4
5	Policy Implementation and Associated Documents	7
6	Education and Training	12
7	Process for Monitoring Compliance	12
8	Equality Impact Assessment	12
9	Supporting References, Evidence Base and Related Policies	12
10	Process for Version Control, Document Archiving and Review	13
11	Appendix 1: 360 degree feedback	14

REVIEW DATES AND DETAILS OF CHANGES MADE DURING THE REVIEW

October 2020: Re-write of policy to align to Agenda for Change terms and conditions.

Clarification and expansion of roles and responsibilities section.

Addition of Appendix 1 to provide a framework for 360 degree feedback.

Removal of sections referring to the Talent Matrix and Measures, and a rewrite of this section to provide an overview of the process. Specifics of appraisal completion covered in the appraisal paperwork itself.

Removal of Appendix A to simplify the process, as it is covered in the policy wording.

Appraisal to include a check of personal details.

KEY WORDS

Appraisal, Pay Progression, Increment

1 INTRODUCTION AND OVERVIEW

- 1.1 This document sets out the University Hospitals of Leicester (UHL) NHS Trust's Policy and Procedures for determining pay progression linked to appraisal for non-medical staff.
- 1.2 The appraisal process plays a critical role in identifying individual contribution in the delivery of Trust objectives, giving individuals clarity about performance expectations and identifying learning and development needs to support delivery of these expectations and progress towards future career plans.

2 POLICY SCOPE

- 2.1 This Policy applies to staff employed on Agenda for Change Terms and Conditions, non-medical employees on non-Agenda for Change contracts, and non-medical staff that have transferred over from other organisations, under Transfer of Undertakings (Protection of Employment) Regulations (TUPE).
- 2.2 This Policy specifically excludes Medical and Dental Staff, Very Senior Managers (VSM) and Senior Managers employed on local terms and conditions for whom separate policies exist, which operate in accordance with the principles contained within this document.
- 2.3 This Policy also excludes staff who work for the Trust but are not employed under a Contract of Employment for example agency workers, staff working under an honorary contract or bank only staff. The performance of bank staff is governed under the Temporary Staffing Policy (B58/2011).
- 2.4 This Policy aims to ensure that all staff in scope are clear about the required standards of performance, how this will be measured and how they will be supported in the achievement of these standards.
- 2.5 This Policy more broadly aims to:
- Promote effectiveness and performance at work
 - Promote equality for, and diversity of, all staff
 - Form an integral part of performance management and talent management, rewarding performance and delivery rather than length of service.
- 2.6 Individuals for whom different arrangements apply:
- 2.6.1 Staff who are new starters to UHL are excluded from appraisal reporting for the first 60 days following their start date.
- 2.6.2 Staff in substantive posts who previously held 'bank only' agreements, have 60 days in which to have an appraisal.

3 DEFINITIONS AND ABBREVIATIONS

- 3.1 **Appraisal** is the annual two way meeting held between appraisee and appraiser in which a review of performance since the last appraisal took place.
- 3.2 **Appraiser** is an individual who leads the appraisal process and annual meeting, providing feedback and on-going support to the appraisee. This will usually be

the appraisee's direct line manager, although there may be some circumstances where it is more appropriate for an alternative manager to carry out the appraisal. Managers carrying out appraisals should be a minimum of Agenda for Change Band 4. In some cases where it is appropriate to do so, a supervisor lower than Band 4 may undertake the appraisal, but this must then be reviewed and signed off by a manager Band 4 or above.

- 3.3 **Appraisee** is an individual who receives feedback and support from the appraiser on their performance and in identifying development needs in post.
- 3.4 **Appraisal Co-ordinator** is an individual within a CMG or Directorate who receives notifications from appraisers of completed appraisals, and inputs these details into ESR.
- 3.5 **Pay Steps** are points on the pay bands, sometimes associated with a financial pay increase, which are available to be earned by staff on their designated pay step date: the anniversary on which they commenced in their current pay band. Appraisees progress up the pay steps until the maximum point in the payscale is attained. The ability to progress will be dependent upon measurement of performance and delivery as outlined in this Policy.
- 3.6 **Appraisal Review** refers to an informal meeting held in between annual appraisal meetings, usually 6-monthly, to review progress against objectives and development activities.
- 3.7 **360 degree feedback** refers to the additional feedback sought from colleagues in accordance with a set of standards or questions. There is a national programme of 360 appraisal feedback which can be paid for, but as a minimum appraisees should use the principles of the 360 appraisal framework to gather feedback from a range of colleagues.

4 ROLES

- 4.1 The Chief People Officer has lead responsibility for this Policy, assisted by the Generalist HR, Workforce, and Learning and Development teams.
- 4.2 The appraisal is the joint responsibility between the appraisee and the appraiser. This review should take place every 12 months and should form part of an ongoing process with frequent and regular discussion.
- 4.3 All Staff are responsible for:
 - a) Participating in the appraisal process each year, regardless of whether or not their pay step is associated with a pay increase that year, and completing documentation referencing examples.
 - b) Jointly agreeing their objectives and personal development plans with their line manager and making them aware of anything that is impacting them from achieving these objectives or undertaking the relevant training.
 - c) Engaging positively in action plans put in place if objectives aren't met.
 - d) Undertaking a review of their standards together with their line manager, and completing local documentation as part of the pay step submission process
 - e) Working with their line manager to ensure that all relevant statutory, mandatory and essential skills training is up to date.
 - f) Performing their responsibilities and delivering their objectives consistently throughout the year, with the support and guidance of their line manager, and

in accordance with Trust values and behaviours. Individuals are also expected to display appropriate levels of knowledge and skills.

- g) Use the appraisal as an additional opportunity to check all personal details are up to date.

4.4 Appraisal Coordinators are responsible for

- a) Entering information from the Appraisal Data Capture on ESR by the end of the month prior to the month in which the pay step is due. If this is not undertaken in a timely way, pay may be affected.
- b) Dates of completed appraisal meetings are to be reported by month end via the Appraisal Data Capture Tool available on Insite <http://insite.xuhl-tr.nhs.uk/homepage/working-life/employment-info/hr-systems-and-payroll/appraisals>

4.5 All Appraisers are responsible for:

- a) Undertaking appraiser training to ensure knowledge and understanding of their responsibilities in relation to this Policy and their equality responsibilities prior to undertaking any appraisal.
- b) Recognising performance objectives for individuals
- c) Considering the development needs and talent management of their team as a whole.
- d) Identifying opportunities for teams to thrive and develop together, whilst retaining the confidentiality of individuals.
- e) Undertaking the appraisal no more than four months prior to and no later than the 15th (or nearest working day) of the month immediately prior to the employee's contract anniversary. This will allow sufficient time for reporting to the Appraisal Coordinator and input into ESR by the end of the month.

Increment Month	Months for appraisal to take place	Deadline for submission to Appraisal Coordinator	Deadline for input on ESR
January	Sept Oct Nov Dec (15th)	15th December	31st December
February	Oct Nov Dec Jan (15th)	15th January	31st January
March	Nov Dec Jan Feb (15th)	15th February	28th February
April	Dec Jan Feb Mar (15th)	15th March	31st March
May	Jan Feb Mar Apr (15th)	15th April	30th April
June	Feb Mar Apr May (15th)	15th May	31st May
July	Mar Apr May Jun (15th)	15th June	30th June
August	Apr May Jun Jul (15th)	15th July	31st July
September	May Jun Jul Aug (15th)	15th August	31st August
October	Jun Jul Aug Sept (15th)	15th September	30th September
November	July Aug Sept Oct (15th)	15th October	31st October
December	Aug Sept Oct Nov (15th)	15th November	30th November

- f) To provide a copy of the relevant appraisal documentation for completion, as well as a copy of the previous year's appraisal paperwork, for review.
- g) Allocate appraisees protected time during working hours to support completion of the relevant paperwork, as well as collation of evidence prior to the appraisal taking place.
- h) Giving staff adequate notice of the appraisal and allowing sufficient time for preparation as mutually agreed, including the collation of 360 degree feedback

- i) Conducting an objective review of the individual's work against the required standards as part of the annual appraisal process, which should include an assessment of the employee's achievement of any personal and/or organisational objectives and Trust values and behaviours.
- j) Conducting a review, as applicable, on how the Apprentice Education Programme is progressing and what impact it is having on the role; checking if further support is needed.
- k) Agreeing an appropriate and resourced Personal Development Plan
- l) Reviewing submitted examples to demonstrate that the staff member has met the required standards, recording the outcomes of the appraisal
- m) Ensuring that all employees have access to, and undertake in a timely manner, statutory/mandatory and any essential skills training, ensuring no tasks or activities are completed unless the individual is safe and trained to do them.
- n) If specific training is agreed with the appraisee, this should be honoured unless there are circumstances where it is not possible to progress with this. In this case, confirmation of the reasons should be provided to the appraisee in writing.
- o) Demonstrating they have encouraged and supported the employee to achieve the standards required during each local appraisal process
- p) Discussion, decision, and recording the decision regarding the award of pay steps if applicable
- q) Completion of the Appraisal Data Capture tool (unless completed by the Appraisal Co-Ordinator)
- r) Putting in place appropriate training and support for staff who are not awarded pay steps when due
- s) Undertaking appropriate reviews as described in this Policy, including where pay steps have not been awarded in connection with the existence of disciplinary and/or capability sanctions
- t) Completion of documentation in the event that a pay step is awarded retrospectively (exceptional circumstances only).
- u) Ensuring sign off of the appraisal outcomes via the appraiser's line manager
- v) Acting in a line manager capacity for direct reports undertaking appraisals and supporting with decisions with regard to pay progression
- w) Undertaking review discussions throughout the year in order to ensure the appraisal process operates under the principle of 'no surprises', so that any concerns regarding performance and capability form part of prior discussion in advance of the appraisal in order to take remedial action at the earliest opportunity
- x) Reviewing the fair and equitable application of standards and measures outlined in the Policy. Ensuring no discrimination or bias against anyone on the basis of a protected characteristic in the application of this Policy.

4.6 HR and Training are responsible for:

- a) Dissemination and training on this Policy for all staff and managers
- b) Overseeing audit and compliance and implementing action plans
- c) Ensuring ongoing equality monitoring to ensure there is no detrimental impact on any protected characteristic group during implementation of this Policy.

Collated and checked appraisal data is to be reported to the Trust Board, and will be reviewed during the CMG Monthly Performance Meetings and actions will be cascaded from there.

5. POLICY IMPLEMENTATION

5.1 Appraisal Purpose

5.1.2 Appraisal objectives and development plans will be based on the duties outlined in the appraisee's job description, with reference made to Trust and team objectives, as well as the expected knowledge and skills to be demonstrated in that role. Personal interests and opportunities for career progression will also be taken into account, as well as departmental needs to support current service and service development.

5.2 New Starter Appraisals

5.2.1 As well as the annual appraisal process, it is expected that staff commencing in a new post will undertake a new starter appraisal within 8 weeks of their start date. The paperwork for new starter appraisals is available on Insite.

5.2.2 The aim of a new starter appraisal is to identify the objectives to be met over the course of the year, in line with the appraisee's job description and plan the new starter's immediate development to support them in their role.

5.2.3 The new starter appraisal is not linked to a pay step award.

5.3 Apprentices

5.3.1 Apprentices new to the Trust should have a monthly review of their objectives under the Apprentice Policy (B1/2017) to support their probation period.

5.4 Annual Appraisal

5.4.1 All staff will have annual appraisals which will result in the production of a personal development plan and role-specific objectives. Mid-year reviews will take place between appraisees and their appraisers. Where the member of staff has moved internally, this may involve the input of their previous appraiser where appropriate.

5.4.2 It is expected that performance across all required areas is of a sufficiently high standard. If so, a pay step will be awarded at the annual appraisal to take effect on the pay step date. Depending on the pay step, this may come with a financial pay increase or not.

5.4.3 Where a member of staff is on the top of their pay band, the principles of appraisal and performance management will continue to apply, including the requirement to be compliant with Statutory and Mandatory training, without the financial pay increase.

5.4.4 If an employee has a disability then the manager should ensure that reasonable adjustments are considered when setting work objectives and assessing their work performance.

5.4.5 Staff will progress to the next pay step point in their pay band providing they can demonstrate all of the below:

- a) A sufficient score calculated on the basis of performance objectives and demonstration of Trust values
- b) Statutory and mandatory training has been completed and is in date*
- c) There is no live formal capability or disciplinary sanction on record
- d) Line managers should evidence they have achieved their objectives associated with being a leader, and also that they have displayed leadership values and behaviours.
- e) Line managers only: the appraisals for which they are responsible have all been completed, unless there are extenuating circumstances which mean this has not been possible.

*The exception to this is if the manager has requested the staff member not to complete training to support service needs. This should be used in cases of emergency only and a planned date scheduled in and met within a short given period.

- 5.4.6 If, through the appraisal process, it is established that a member of staff has not attained the requisite standard of performance on one or more of the bullet points above, the pay step will not be awarded and will be deferred until performance reaches the required standard. In these cases, the principles of the Improving Performance (Capability) Policy (B12/2014) will apply. In cases of deferral, managers must work with the employee to assist them to meet the standards required. Once these have been achieved to a satisfactory standard the pay step can be applied and an HR2 completed to reflect this. Managers should ensure that they meet with the employee as soon as the standards have been met and take action to apply the pay step with effect from the date at which they can show they have met the standards. The pay step will not be backdated.
- 5.4.7 If the appraisee has outstanding statutory and mandatory training at the time of the appraisal, this must be completed by the pay step date. If not, the pay step will be missed and only applied once the training is complete. An HR2 form will be completed to reflect this, and the pay step will not be backdated.
- 5.4.8 Deferral of a pay step will not affect the employee's next pay step date.
- 5.4.9 The existence of a formal written warning for a disciplinary or capability matter will prevent the award of a pay step. Management under the Sickness Absence Policy will not prevent the pay step award providing performance objectives have been met. Where a pay step is not awarded due to the existence of a live disciplinary or capability warning, the next opportunity for the appraisee to move to the next pay point will be at the subsequent annual appraisal, provided the warning has lapsed by that point.
- 5.4.10 Where an appraisal has not been completed due to service demands, it should be completed as soon as possible and the pay step backdated so the appraisee does not suffer a detriment.

5.5 Appraisal Process

- 5.5.1 The appraiser will usually be the appraisee's direct line manager. If there are particular circumstances where this arrangement is unsuitable, the appraisee

may request an alternative manager to carry out their appraisal. Such requests will not be unreasonably refused.

5.5.2 Prior to the appraisal, the appraiser and appraisee:

- a) Review and score the previous year's objectives
- b) Gather and record examples
- c) Undertake 360 degree feedback (Appendix 1)
- d) The appraiser should review the service needs, objectives and workforce development needed. The appraiser should be aware of the study leave process and priorities for their area and the Development Directory.

5.5.3 At the appraisal meeting, the appraiser and appraisee:

- a) Conduct the appraisal with the aid of the Appraisal paperwork suitable for their band (<http://insite.xuhl-tr.nhs.uk/homepage/working-life/employment-info/appraisal>)
- b) Review and agree the scores in relation to how far the previous year's objectives have been achieved
- c) Agree the overall performance score. Using this score, a decision is made on pay step award.
- d) Agree objectives for the forthcoming year and plan development needs.
- e) Formulate a personal development plan (see section 5.6).
- f) Agree the final dimension of the Talent Matrix following a discussion on ambition and potential.
- g) Discuss the appraisee's health and wellbeing and any required support.
- h) The appraisee is required to complete a declaration with regards to the disclosure of any criminal offences, and ensure their next of kin, contact details, and home address are correct on ESR.

5.5.4 Following the appraisal meeting, within 10 working days:

- a) The appraiser's line manager will evaluate the appraisal to ensure consistency and fairness. They will 'sign off' all appraisal documentation.
- b) Where a pay step has not been awarded, the appraiser will not refer the appraisal for 'sign off' from the next in line manager until 10 working days have lapsed to allow sufficient time for the employee to request a review. The review process follows the steps outlined in section 5.9.
- c) Where a pay step has been awarded, either:
- d) The appraiser or nominated person completes the data capture tool on Insite to inform the ESR team of the pay step, **or** the appraiser informs the Appraisal Co-Ordinator of the appraisal outcome so they can input this into ESR. The process depends on local arrangements.
- e) Where any Statutory and Mandatory training has been deferred at management request, a check should be made that this has been completed in accordance with the revised plan.

5.6 Personal Development Plan

5.6.1 Development plans will distinguish between goals for the year ahead and those applying to the longer term. They will cover a range of development needed for the individual in their role and the service needs for the area. There will be a commitment from both appraiser and appraisee to make all reasonable efforts to meet the developmental goals for the year ahead in that year and elements not

completed will be carried over to the following year, unless agreed otherwise. No optional personal development should be agreed unless the appraisee's Statutory and Mandatory training are compliant.

5.6.2 Approaches to development may consist of courses, Apprenticeship Education Programmes, functional skills, distance learning, private study, opportunities to participate in particular projects or work areas, short secondments, work shadowing, peer review and other continuing professional development activities.

5.6.3 Appraisers will encourage appraisees to progress and develop and, where training and/or development needs have been identified and agreed, ensure sufficient support is provided: support may be financial, time-based, and supervisory. If development which is essential to the job role under the terms of the job description has not been supported in this way, and this means the appraisee does not achieve the required standard to progress to the next pay step, pay progression should not be deferred.

5.7 Employees Absent from Work

5.7.1 Where a member of staff is away from work and therefore unable to complete their appraisal due to maternity leave, long-term sickness absence, adoption leave or shared parental leave, steps should be taken to ensure the member of staff does not suffer a detriment due to this. This may involve conducting the appraisal before or just after the planned leave.

5.7.2 If practicable, especially where the absence is known in advance, the appraisal should be conducted prior to the leave commencing so that the pay step can be awarded on the pay step date.

5.7.3 Where this is not possible, the pay step should be automatically applied on the pay step date. It is expected that, in these circumstances, the appraiser and appraisee will meet to review progress on the previous year's objectives and set objectives for the coming year as soon as is practicable. Virtual meetings may be conducted to support completion of the appraisal process, providing all parties are in agreement with this approach.

5.7.4 When assessing if a member of staff qualifies for an automatic pay step progression due to long-term absence, the requirements in section 5.4.5 will still apply for this to take effect.

5.8 Bands 8C, 8D and 9

5.8.1 The same principles of appraisal apply for staff at bands 8C, 8D and 9.

5.8.2 Once they have reached the top of their band, the expectation is that all staff at Bands 8C, 8D and 9 will meet the required standards and will re-earn the relevant element of pay annually. The first point at which the re-earnable element becomes relevant is 12 months after employees have passed through their pay step point to reach the top of the band.

5.8.3 Where the standards in section 5.4.5 are met, salary is retained at the top of the band. If standards are not met, salary may be reduced by 5% or 10% from the pay step date subject to the provisions in section 5.4.5. The appraisee will be

able to restore their salary to the top of the band at the next pay step date by meeting the required standards. The appraisee has the right to contest a decision to reduce their pay (see section 5.9).

5.9 Reviews

- 5.9.1 Staff will be able to request a review of any decision undertaken by their appraiser with regard to pay progression, as outlined below. Every effort should be made to ensure that the appraiser and appraisee are able to resolve differences of opinion during the appraisal informally.
- 5.9.2 If there is a disagreement about any aspect of the appraisal process, either party can approach the next in line manager for assistance to resolve the issue, unless there is a significant reason why this process should be undertaken by a different manager.
- 5.9.3 If choosing to request a review, the appraisee must do so in writing within 10 working days of the receipt of the pay progression decision wherever possible.
- 5.9.4 The appraiser's line manager must undertake the review within a further 10 working days of this request wherever possible.
- 5.9.5 The appraiser's line manager will review the scoring, examples and any mitigation. The score will be benchmarked with others in the team.
- 5.9.6 If the line manager has been involved in advising the appraising manager regarding the disciplinary/capability sanction previously, the review will be referred to the next level of decision making.
- 5.9.7 The decision of the reviewer is final.
- 5.9.8 If a review is upheld, the pay step will be backdated to the original pay step date.

5.10 Principles of Pay Progression

- 5.10.1 In line with NHS Terms and Conditions Section 6, where an employee moves, permanently or temporarily, from one pay band to a higher pay band, pay should be set either at the minimum of the new pay band or, if this would result in no pay increase (by reference to basic pay plus any recruitment and retention premium, if applicable) the first pay point in the band which would deliver an increase in pay.
- 5.10.2 Where an employee accepts a job at a lower pay band, the pay step point will be determined by the number of years' service in that role or a similar role. For instance, an employee on the bottom of Band 4 will not automatically be placed on the top of Band 2 should they accept a role at this level.

6 EDUCATION AND TRAINING REQUIREMENTS

- 6.1 All appraisees and appraisers will receive guidance or have access to training as appropriate on this Policy in order that the criteria and process are understood and there is consistent application.
- 6.2 Training is available for appraisers with details available on INsite.

7 PROCESS FOR MONITORING COMPLIANCE

- 7.1 Appraisal rates will be monitored by HR on a CMG basis, and areas with low compliance targeted for intervention. A target KPI of 95% compliance is in place.

POLICY MONITORING TABLE

Element to be monitored	Lead	Tool	Frequency	Reporting arrangements Who or what committee will the completed report go to.
Appraisal compliance rate	HR	Reports from Workforce Information team	Monthly	CMG Boards
Appraisal quality	HR/OD	Spot checks/audits	Ad hoc	CMG Boards
Appraisal Data Capture Performance	ESR	Data Capture Tool reporting, Reports from Workforce Information team	Monthly	CMG Boards

8 EQUALITY IMPACT ASSESSMENT

- 8.1 The Trust recognises the diversity of the local community it serves. Our aim therefore is to provide a safe environment free from discrimination and treat all individuals fairly with dignity and appropriately according to their needs.
- 8.2 As part of its development, this policy and its impact on equality have been reviewed and no detriment was identified.

9 SUPPORTING REFERENCES, EVIDENCE BASE AND RELATED POLICIES

- 9.1 This Policy has been written with reference to Agenda for Change Terms and Conditions, revised April 2018 including Annex 23 and the Framework Agreement on the Reform of Agenda for Change (NHS Staff Council).

This Policy interfaces with the following UHL Policies and Guidance Documents:

UHL Disciplinary Policy (Trust reference:A6/2004)

Improving Performance (Capability) Non Medical Staff UHL Policy (Trust Reference:B12/2014)

Core Training (Statutory and Mandatory) Training UHL Policy (Trust reference: B21/2005)

Apprentice Policy B1/2017

Study Leave Policy B32/2004

Sickness Absence Management UHL Policy (Trust reference: B21/2005)

10 PROCESS FOR VERSION CONTROL, DOCUMENT ARCHIVING AND REVIEW

This Policy will be reviewed by the Author/Lead Officer named above in the event of any substantial changes to Agenda for Change terms and conditions, or 3 years after the date the Policy was accepted, whichever comes first.

The updated version of the Policy will then be uploaded and available through INsite Documents and the Trust's externally-accessible Freedom of Information publication scheme.

Framework for 360 Feedback Requests

The following questions can be used as a template to request feedback from colleagues. This may include more senior colleagues, more junior colleagues, and people in other departments who have worked with the appraisee over the prior 12 months.

This is not an exhaustive list and can be adapted depending on personal preference.

1. In what areas do I exhibit particular or significant ability?
2. In what areas do I deserve recognition?
3. Recommended areas for development including skills and behaviours